

## Client Alert: Disability Insurance Reminder

Disability insurance tends to be one of the most overlooked benefit programs in corporate America today. However, an employee experiencing a disability event is a real threat to employers, as 25% of employees entering the workforce today will experience a disability event lasting 90 days or longer during their working years. Group Long Term Disability (LTD) plans provide an essential foundation of coverage for your company's employees. Unfortunately, LTD plans may often fall short in addressing the income replacement needs of highly compensated employees.

### Group LTD May Not Cover Everything You Think It Does

The graphic below illustrates that employees making over \$120,000 a year will receive less than the 60% income replacement plan design should they become disabled with only the sample group plan as there is a \$10,000/monthly maximum benefit.

Sample LTD Plan design: 60% to \$10,000/month



### Consider Corporate Sponsored Individual Disability Insurance to Bridge the Gap

Corporate sponsorship of coverage provides key benefits:

- Guaranteed Issue coverage – no medical underwriting
- Salary and performance-based compensation covered
- Lower Cost Coverage than employees buying policies on their own in the retail market
  - Multi-Life guaranteed issue rates are 10-30% lower than traditional individual rates
  - 66% of individuals applying for disability insurance either get declined or rated
- Portable coverage allows executives to take their policy with them in case of employment change

**For more information on how Individual Disability Insurance solves the income replacement needs of your employees, please contact Mullin Barends Sanford Financial via this [link](#).**

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